

HOUSE BILL REPORT

HB 1921

As Reported by House Committee On: Housing

Title: An act relating to providing assistance to homeless individuals and families.

Brief Description: Providing assistance to homeless individuals and families.

Sponsors: Representatives Springer, Pettigrew, Santos, Walsh, Appleton, McDonald, Kenney, Darneille, Hasegawa and Ormsby.

Brief History:

Committee Activity:

Housing: 2/7/07, 2/14/07 [DPS].

Brief Summary of Substitute Bill

- Creates the Transitional Housing Operating and Rent (THOR) program within the Department of Community, Trade and Economic Development.
- Appropriates \$15 million for the 2007-2009 biennium for the THOR program.

HOUSE COMMITTEE ON HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Miloscia, Chair; Springer, Vice Chair; Dunn, Ranking Minority Member; Kelley, McCune, Ormsby and Schindler.

Staff: Robyn Dupuis (786-7166).

Background:

THOR Overview

The Transitional Housing Operating and Rent (THOR) program has operated within the Department of Community, Trade, and Economic Development (DCTED) since 1999, however it is not a program currently in statute. The program is the result of a decision of the Washington State Supreme Court mandating that the DCTED and the Department of Social and Health Services (DSHS) create the Homeless Families with Children Plan and provide

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services to assist homeless children and their families. In 1999 the Legislature included a budget proviso of \$5 million for the 1999-2001 biennium to fund the program that became known as THOR, as well as several other initiatives to help homeless families with children. The THOR funding has remained consistent at \$5 million each biennium since 1999.

THOR Activities

Under the THOR program, the DCTED distributes funds to counties based upon the homeless funding formula used by the U.S. Department of Housing and Urban Development. The counties and their service providers choose a "lead agency" which may provide THOR services itself and may also subcontract with other service providers in the area to provide services. Only families with children and with a household income at or below 50 percent of the area median income are eligible to receive THOR services. Services include rental assistance, operating subsidies for transitional housing facilities, and case management. The DCTED has established limits for the percentage of funding that can be used for each activity as follows:

- up to 50 percent may be used for operating subsidies for transitional housing facilities;
- up to 100 percent may be used for rental expenses (including rental vouchers, utilities and moving expenses); and
- up to 40 percent may be used for case management services.

THOR Results

The THOR client data is reported to the DCTED twice a year and a follow-up survey is conducted with past program participants at six and 18 months following their exit from the program. In 2006, 1,358 families received THOR services and 471 exited the program. Of those exiting, 74 percent achieved permanent housing and of those families, 49 percent obtained unsubsidized housing. It is estimated that the THOR program is meeting approximately 19 percent of the need of families with children for transitional housing assistance and services.

Although the DSHS/DCTED Homeless Families with Children Plan is not required after January 2007, according to the DCTED, the DCTED intends to continue operating the THOR program and will report on its achievements in the state's Homeless Housing Strategic Plan.

Summary of Substitute Bill:

Transitional Housing Operating and Rent Program Overview

The Transitional Housing Operating and Rent (THOR) program is created within the Department of Community, Trade and Economic Development (DCTED). The purpose of the program is to assist homeless individuals and families to secure and retain safe, decent and affordable housing.

The DCTED will provide grants to eligible organizations to operate the program. Grantee organizations may use the funds to provide:

- rental assistance, including security deposits and moving expenses;

- case management services designed to help the client move toward self-sufficiency;
- operating expense subsidies for transitional housing facilities that serve homeless families with children; and
- administrative costs of the grantee organizations.

The DCTED is authorized to develop requirements, procedures, and guidelines for the program as needed.

Eligible THOR Program Participants

Those eligible to participate in the THOR program include:

- families with children who have household incomes at or below 50 percent of the area median income who are homeless or at risk of becoming homeless; and
- individuals or families without children who have incomes at or below 30 percent of the area median income who are homeless or at risk of becoming homeless.

The DCTED is authorized to develop program eligibility criteria for the THOR program that go beyond the statutory definition of homeless person.

THOR Reporting Requirements

- Data on all program participants must be entered and tracked through the Homeless Management Information System.
- Grantee organizations are encouraged to apply to the Washington State Quality Award program. Organizations participating in the THOR program which receive over \$500,000 a year in housing funding from the state, the Washington State Housing Finance Commission, and housing-related surcharges must apply to the Washington State Quality Award program every three years.
- The DCTED will include an annual THOR report, including specific performance measures, in the state's Homeless Housing Strategic Plan.

THOR Program Funding

The sum of \$15 million for the 2007-2009 biennium is appropriated from the General Fund to a new THOR account. Of these funds:

- the first \$5 million must be used for rental assistance, case management, operating subsidies, and administrative costs to serve families with children; and
- the remaining funds may be used for rental assistance, case management, and administrative costs to serve all eligible program participants.

Substitute Bill Compared to Original Bill:

The DCTED is authorized to develop program eligibility criteria for the THOR program that go beyond the statutory definition of homeless person. Organizations participating in the THOR program which receive over \$500,000 a year in housing funding from the state, the Washington State Housing Finance Commission, and housing-related surcharges must apply to the Washington State Quality Award program every three years.

Appropriation: The sum of \$15 million for the 2007-2009 biennium.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support of original bill) The THOR program has been very successful in transitioning people from homelessness to permanent housing. In fact, it has the highest success rate of all transitional programs in the state. This is a critical gap-filling program which helps bridge families from being on the streets to accessing permanent housing, both subsidized and unsubsidized. There are long waiting lists for programs such as Section 8 vouchers and THOR can provide intermediary services needed to stabilize the family until they can receive longer-term assistance. Furthermore, often the housing assistance and case management offered by THOR is all a family needs in order to address issues and get back on its feet. One of the strengths of the program is its flexibility which allows organizations to use the money in the most effective ways for their clients. Other THOR strengths include its ability to leverage other service monies and work with the available private rental market. The THOR program is the only state-funded rental assistance program in Washington, aside from a temporary program included in the 2006 budget. An increase in funding and a change in eligibility requirements to include individuals will enable the THOR program to serve over 3,000 households. The need for such services is large, in fact, over 35,000 households stayed in shelters last year and more than 99,000 households in Washington are "housing-poor" and, therefore, at risk of homelessness.

(In support with concerns on original bill) Stakeholders who work with victims of domestic violence are concerned about codifying this program into a statute which defines homeless persons in a way which may exclude some domestic violence victims. The THOR program is serving domestic violence victims now and this is a critical service to help victims move out of dangerous situations into stable housing. It is the hope of these stakeholders that the definition of homelessness can be expanded to include populations such as domestic violence victims that may not normally be found on the streets or in a traditional homeless shelter. Another concern is that even with the expanded funding there are not enough monies to fill the need. The population to be served should be limited to the most needy: those making at or below 30 percent of the area median income.

(Opposed) None.

Persons Testifying: (In support of original bill) Representative Springer, prime sponsor; Corine Knudsen, Washington State Coalition for the Homeless; Chris Lowell, Housing Authority of Thurston County; Chris Pegg, Longview Housing Authority; Andra Kranzler, The Homelessness Project; Greg Provenzano, Columbia Legal Services; Ruth Shearer, Bread and Roses Homeless Services; Bill Block, Committee to End Homelessness; Laura Hitchcock, United Way of King County; and Terry Kohl, Washington Apartment Association.

(In support with concerns on original bill) Grace Huang, Washington Coalition Against Domestic Violence.

Persons Signed In To Testify But Not Testifying: None.